

WHITE RIVER SHALE OIL CORPORATION

SUITE 500 PRUDENTIAL BUILDING, 115 SOUTH MAIN STREET
SALT LAKE CITY, UTAH 84111
(801) 363-1170

November 19, 1982

JIM

NOV 22 1982

Mr. James Smith
Utah Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, UT 84114

Attention: Mr. Tom Portle

Subject: White River Shale Oil Corporation's
Application for Additional Acreage
for WRSP Development

RECEIVED

NOV 22 1982

DIVISION OF
OIL, GAS & MINING

Dear Mr. Smith:

The White River Shale Oil Corporation (WRSOC) is developing the White River Shale Project (WRSP) under an approved Mining Permit and a reclamation bond which limits construction activities to 110 of the 635 acres involved in Phase I development of Tracts Ua and Ub. WRSOC posted a bond for 110 acres based on the best available estimate of the area required to support Phase I construction through 1985. Strict limits of work were set for all areas of development in an effort to contain construction activity within the 110 acres. Concurrently, a Topsoil Management Plan was prepared, approved by DOGM, and implemented to direct topsoil salvage operations in all disturbed areas and to provide a means of accounting for the topsoil resource.

The anticipated distribution of the 110 acres for pre-1986 development activities was provided to DOGM during the review of WRSOC's Mining Permit Application. The need for 110 acres of disturbance was based upon preliminary design requirements associated with the development of the Phase I decline/shaft areas and various mine support facilities. Actual grading plans were not available at that time nor was information from subcontractors regarding specific construction area requirements. As the detailed design of various facilities was completed and actual construction of these facilities proceeded, it became obvious that additional acreage would be required to complete the pre-1986 scope of construction as described in WRSOC's Mining Permit Application.

It should also be mentioned that in many instances WRSOC's various construction subcontractors were unable to effectively perform the required work assignment within the limits of work areas assigned to that particular task. Consequently, it was necessary that subcontractors disturb more acreage than was allocated to complete a specific job. As previously mentioned, this

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problem occurred because strict limits of work were set based only upon preliminary design information and WRSOC's desire to minimize disturbance. As a result, 110 acres will not be sufficient to develop all areas associated with the first increment of Phase I.

All disturbed areas were surveyed during the week of October 18, 1982, to determine the exact acreage disturbed. The results of the survey show that 95.2 acres had been disturbed in some manner, either directly during earth moving operations or merely by the location of office trailers or other temporary facilities. The areas disturbed since the survey bring the total net disturbed acreage to 107.2 acres. The increase from 95.2 to 107.2 acres resulted from development in the following areas:

- 1) Completion of road grading for the access road to the alluvial water wells;
- 2) Earthwork neared completion in the mine area and Frontier-Kemper, WRSOC's mine construction subcontractor, began to mobilize;
- 3) A third long-term stockpile was started in a small side canyon just above the design water line of the runoff retention pond. This stockpile will accomodate the topsoil available for salvage from the borrow area within the future runoff retention pond.

In light of these circumstances, WRSOC requests that an additional 360 acres be included within the authorized limits of disturbance to insure that the pre-1986 scope of construction described in our Mining Permit Application can be realistically implemented. The resulting 470 acre work area will provide enforceable limits of work without restraining construction subcontractors from any reasonable activities either currently planned or anticipated. This work area encompasses many areas for which there are no development plans at present. However, these areas have been included within the designated work area to allow for differences between mapped information and actual topography, to insure effective enforcement of the limits of work perimeter, and to provide sufficient areas for construction support activities. Therefore, WRSOC seeks the Division's approval for expanded limits of work that include 470 of the 635 acres involved in the Phase I development.

WRSOC prepared the initial 110 acre limit of work for its pre-1986 development activities based upon expected development of the following six areas: mining area; water well access road; runoff retention pond; mine access road; bachelor camp; and solid waste disposal site. The following paragraphs delineate necessary

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changes to these areas which have occurred as detailed designs for the first increment of Phase I have been completed. These changes are expected to result in an increased disturbance of 156 acres. Thus, the total disturbance would be 266 acres. However, for the reasons mentioned above a 470 acre approval area is requested.

For the mine area, the development area was originally estimated to be 44 acres, based on preliminary plot plan drawings. The current estimate for the facilities included in the mine area is 75 acres. This increase is explained by two major factors. First, new work areas within the general mine area were identified, including a helicopter pad necessary for medical evacuation, a second long-term topsoil stockpile pursuant to WRSOC's approved Topsoil Management Plan, a lube and fuel oil storage area, and peripheral areas needed as construction laydown or equipment areas (e.g., concrete batch plant). Second, our construction experiences to date have lead us to realize that it is impractical to enforce the exclusion of work from numerous small interstices between designated work areas.

The original estimate of 21 acres for construction of the runoff retention dam was based on preliminary design information and estimated construction laydown areas. Now that the dam design is complete and actual construction requirements have been identified, WROSC estimates that the limits of work will encompass 62 acres. The additional acreage includes substantially more excavation for the dam than originally estimated, as well as, areas needed for a seepage collection pond, a spillway, permanent access roads to and around the dam, monitoring wells, and required construction laydown areas. Also, an additional 16 acres will be required for storage/disposal of rock resulting from dam excavation which may be unsuitable for use in dam construction. Further, the required work area has been "squared-off" to provide enforceable limits of work.

We initially estimated that the road to the production wells would disturb eight acres. This number was based only on the alignment of the road and the location of the two production wells. However, grading plans for the road, loading facility and well pads indicate that 15 acres will be disturbed during construction of these facilities. Much of the increase is due to extensive 2:1 fill slopes required for some portions of the road.

Estimated disturbed acreage for the solid waste landfill and road was increased to nine acres from the original estimate of seven acres. This increase was due to more practical squaring-off of the area of the landfill and to accommodate fill slopes along the road.

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Estimated disturbance in other areas listed in our initial estimate have not increased. The bachelor camp has been deleted from the pre-1986 project schedule and no land will be disturbed at this site.

In addition to the increases discussed above, there are also some new work areas which have been recently defined. At the time of the original estimate, the route of a 13.8 kv electrical distribution poleline was not known and we assumed that it would follow roads wherever possible. Following award of the poleline construction subcontract and a subsequent survey, the subcontractor proposed a modified route using fewer poles which will disturb eight more areas than originally estimated.

The shaft/decline subcontractor plans to drill two service bore holes above the decline transfer station. These holes will be used to deliver shotcrete and electrical power to the decline. A surface work area of about seven acres will be required for a drill pad, laydown area, concrete truck maneuvering, poleline to the drill pad, and gravel access road. We also anticipate that additional space for muck disposal will be required and this will be accommodated by a small (three acres) canyon just east of the shaft pad.

Construction of the runoff retention dam will require gravel to be imported from a borrow site on tract. Approximately 40 acres will be required to accommodate storage of overburden, the borrow pit, access to the site, and temporary storage of borrow material. However, the actual location of the borrow areas have not yet been determined.

As discussed at our November 19, 1982 meeting with DOGM, WRSOC is currently negotiating with Moon Lake Electric for the installation of permanent power on site by July, 1983. Although the final design details of the 138 kv electric distribution line are not complete, WRSOC anticipates that a 200 ft. wide, 15 mile long corridor will be required to bring power from the new Bonanza Power Plant to the site. Although the majority of this corridor will be off-tract, WRSOC will own the actual power distribution system. It should be noted that this power distribution system will be utilized as part of a larger grid system which will be needed to bring power to other energy developers located within the eastern Uintah Basin.

The disturbance associated with the power distribution system has not been included within the additional 360 acres requested for the first increment of Phase I development. It is WRSOC's feeling that this system and any related disturbances are not part

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of the actual mining plan. However, we are requesting the Division's interpretation of this situation and its related permitting requirements.

WRSOC intends to post a reclamation bond for an additional 360 acres of disturbance, although the increases described above total only 156 acres. The remaining 204 acres result from "squaring-off" the limits of work, including interstitial areas which are not expected to be disturbed but which cannot be effectively separated from work areas, and inclusion of areas above the underground developments which may require surface support. This "squaring-off" of the limits of work areas is the result of a change in WRSOC's philosophy concerning the best approach to minimize disturbance and still proceed with uninterrupted construction as scheduled. Our experience to date indicates that construction within strict work limits which parallel the various areas of development cannot reasonably be expected to occur without some breaching of the work limits. Also, as construction proceeds, it often becomes necessary to deviate from design parameters because of unexpected occurrences in the field. Consequently, the squaring-off of work limits will provide WRSOC's construction personnel with sufficient discretion to make field changes as necessary.

WRSOC will revise and update the approved Topsoil Management Plan by preparing topsoil isopach maps for areas not covered by the previously submitted drawings. However, topsoil will not be removed from any area until development of that area is imminent. The current Topsoil Management Plan is adequate for current construction activity. WRSOC expects to submit the updated Topsoil Management Plan to DOGM by December 20, 1982. WRSOC will also secure an additional \$2,200,000 bond for the additional 360 acres. This amount is based upon a cost of \$6,000 per acre to reclaim the additional land. It has been assumed that for the most part reclamation of the additional acreage will require only recontouring (as needed), placement of topsoil and revegetation.

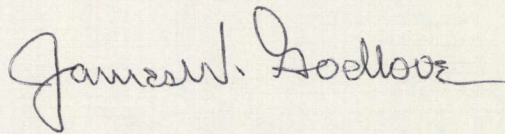
We request that the Division of Oil, Gas and Mining initiate its review of this application to include 470 acres within its pre-1986 construction limits of work, an increase of 360 acres over the approved 110 acre area. WRSOC will provide an updated topsoil management plan, topsoil isopach maps for the entire 470 acres, and maps delineating the areas required to develop the gravel borrow site as soon as possible within the 60 day review period specified in Condition 1 of the Phase I White River Oil Shale Project Conditional Approval. An additional reclamation bond will be provided upon approval of this request.

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Enclosed are four drawings showing the areas where WRSOC requests that the limits of work be expanded to provide adequate acreage for construction. These include the mine area and the runoff retention dam site, waste rock storage/disposal area and access road. One additional drawing showing the water well site and access road will be submitted to the Division by November 24, 1982.

If you require further information, please call me or Mr. Ralph A. DeLeonardis.

Sincerely,

A handwritten signature in dark ink, appearing to read "James W. Godlove". The signature is fluid and cursive, with the first name "James" and last name "Godlove" clearly distinguishable.

James W. Godlove
Director of Environmental Affairs

Enclosures

RAD:JWG/mjd

cc: Eric G. Hoffman - OSO